



IMPACT OF GST IN RETAIL SELLING AT RURAL AREA OF WEST ZONE OF TAMIL NADU

Dr. P. Munusamy¹, Dr. V. Senthilkumar²

¹ Associate Professor & HoD of Commerce, Department of Commerce, Vivekanandha College of Arts and Sciences for Women (Autonomous)

² Associate Professor and Research Supervisor, Department of Commerce, Vivekanandha College of Arts and Sciences for Women (Autonomous)

ABSTRACT

GST has implemented on 01.07.2018 and all the retailers whose annual turnover above 40 lakhs is required to file GST return. So, it is important to study retailers' attitude towards implementation and return of GST. The study is intended to carry out the impact of GST in retail shops at Kerala South Coast. GST has replaced indirect taxes such as service tax, VAT, Excise tax, CST etc., and shall simplify business and accounting process. GST is applicable on both goods and services. So, this study entitled, the impact of GST on retail shops has much scope in the present scenario.

KEYWORDS: VAT, GST Return, GSTIN, CST etc.

INTRODUCTION

Goods and Service Tax, commonly known as GST, is a new tax system launched to replace the various taxes already in place at the state level and central level in India. GST has been introduced with the aim to devise a one tax system for all goods and services through the country. Many indirect taxes like VAT, service tax etc. were replaced with GST by an ACT of the Parliament in 2017.

The retailers can file GST in two ways i.e.; regular and composite. In the case of regular dealers, they have to file GST monthly returns (GSTR 3B, GSTR 1, 2, 3) + Annual returns), whereas in the case of composite dealers, they file quarterly returns (GSTR 4) + Annual returns. And also, regular dealers can make interstate sales as well as local sales and higher sale of tax is applicable for them. (5%, 12%, 18%, 28%). It is applicable for large assesses having turnover more than 1.5 crores. If the turnover is less than 1.5 crores, still normal scheme can be chosen. While, the composite dealers cannot make interstate sales and they can only sell within the state and their rates of tax are lower i.e; 1% for traders, 1% & 2% for manufactures and 5% for restaurants. It is applicable for small assesses having turnover up to 1.5 crores in previous year.

IMPORTANCE OF THE STUDY

The significance of the study is to ascertain the fair attitude of retailers towards the implementation of GST in their shops in Kerala South coast. Now-a-days most of the retail shops are registered under GST. The study gives the attitude of retailers about implementation of GST. It is compulsory that all the retailers who are registered under GST have to file the GST returns. The GST can be filed in 2 ways by the retailers, i.e. Regular and Composite. In the case of regular retailers, they can make interstate sales as well as local sales whereas a composite

dealer cannot make interstate sales. The normal retailers calculate GST payable by deducting output GST – input GST and in the case of composite dealer, they calculate GST payable by paying output GST. If they are not filing GST, the govt. will cut their E-way bills and also, they have to pay fine (Rs.10000) for them.

OBJECTIVES OF THE STUDY

1. To analyze the impact of implementing GST.
2. To analyze the problem faced due to GST implementation.
3. To study the retailers overall attitude towards GST implementation.
4. To analyze the revenue aspect of GST after implementation.

RESEARCH METHODOLOGY

Sampling Technique

Sampling technique selected for the study is Random Sampling Technique. Sample size: The sample selected for the study is 140 retail shops in urban areas

SOURCES OF DATA

Primary Data

Primary data are the data originally collected for an investigation. They are collected from some primary sources. Primary data are collected through questionnaire.

Secondary Data

Secondary data are those which are collected from published and unpublished sources. Secondary data for this study is collected from internet and books.

Tools for collection of data

The tool used for collecting information is a structured

questionnaire consisting of 5 questions. Questionnaire is sent to respondents and the respondents send reply by filling in the questionnaire and the information is then fed into the final report.

Tools for Analysis

After the collection of data, it was analysed. For making the analysis easier, the raw data was tabulated and analysed. The main tool used for data analysis and interpretation is column charts.

FRAMEWORK OF THEORETICAL ASPECTS

GST history

The implementation of the Goods and Services Tax (GST) in India was a historical move, as it marked a significant indirect tax reform in the country. The amalgamation of a large number of taxes (levied at a central and state level) into a single tax is expected to have big advantages. One of the most important benefit of the move is the mitigation of double taxation or the elimination of the cascading effect of taxation. The initiative is now paving the way for a common national market. Indian goods are also expected to be more competitive in international and domestic markets post GST implementation.

History of GST Based on Country

Several countries have already established the Goods and Services Tax. France was the world's first country to implement GST Law in the year 1954. Since then, 159 other countries have adopted the GST Law in some form or other. In many countries, VAT is the substitute for GST, but unlike the Indian VAT system, these countries have a single VAT tax which fulfills the same purpose as GST. In Australia, the system was introduced in 2000 to replace the Federal

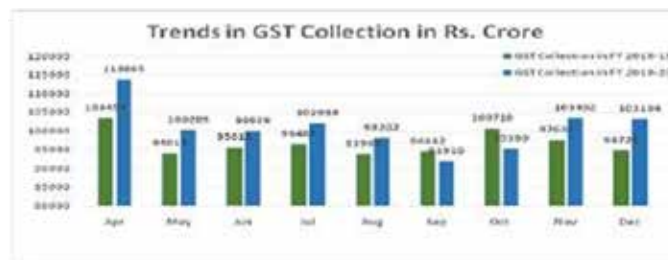
Wholesale Tax. GST was implemented in New Zealand in 1986. A hidden manufacturer's Sales Tax was replaced by GST in Canada, in the year 1991. In Singapore, GST was implemented in 1994. GST is a value-added tax in Malaysia that came into effect in 2015.

- France – The first country to implement GST in 1954 and many other European Countries introduced GST in 1970 – 1980s.
- China – Introduced VAT in 2016 to replace the Business Tax System that was already existing. GST is applied on selected goods.
- Japan – It introduced GST in the name of Consumption Tax in the year 1989.
- Malaysia – Introduced GST in 2015.
- Australia – GST was introduced in 2000 with the rate of 10% and with the plans to increase it to 15%.
- Singapore – Introduced GST in the year 1994.
- Canada – GST was introduced in 1991 and has a dual model like India i.e. State GST and Central GST.

After the implementation of GST, all the retailers whose annual turnover above 40 lakhs is required to file GST return. The government has proposed five tax slabs at 0%, 5%, 12%, 18% & 28% for a different type of items and service.

Format of GSTIN

- First two digits of GSTIN is your state code, for instance, state code of Delhi is 07.
- The next 10 digits denotes the PAN or Permanent Account Number of business entity / proprietor.
- 13th digit is based on the number of registrations done by the business entity within a state.
- 14th digit is "Z" by default.
- The last digit is the check code, this can be a number or an alphabet.



This graph shows the GST collection in two years that is 2018-2019 & 2019-2020. From this graph we can understand that the GST collection is higher in 2019-2020 than 2018-2019.

CONCLUSION

The implementation of GST in retail shops affects our everyday lives in different ways. Implementation of GST is one of the best decisions taken by the Indian government. The impact of GST on retail sector is going to be positive from taxation and operation point of view. During the implementation stage of GST, the retailers faced some complexities because they were not fully aware about GST. Sometimes consumers feel higher price for goods and services after the implementation of GST. But in certain circumstances, they will also get benefits from GST. They were relieved from earlier overall tax burden. Whether the impact of GST is good or bad, its implementation in retail shops helps our society work in more efficient and cost-effective manner.

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